

interparfums
First-half results

2020

Paris

September 8, 2020



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- **H1 2020
highlights**



H1 2020 highlights

- A severely disrupted global perfumes and cosmetics market



Nearly all points of sale closed in mid-March



Partial and gradual reopenings since

- Sales lower for all brands and in all countries



Sales

€139.3m

(-42% at current exchange rates)



Resilient performances by *Coach* and *Rochas* fragrances

- Earnings hold their ground



Operating profit

€10.4m

(operating margin: 7.5%)



Net income

€8.9m

(net margin: 6.4%)

H1 2020 highlights

- Launches in the beginning of the year



Coach Dreams



The Rochas Man



Coach Man Blue



Montblanc Signature





The New Fragrance
COACH DREAMS
Live Yours





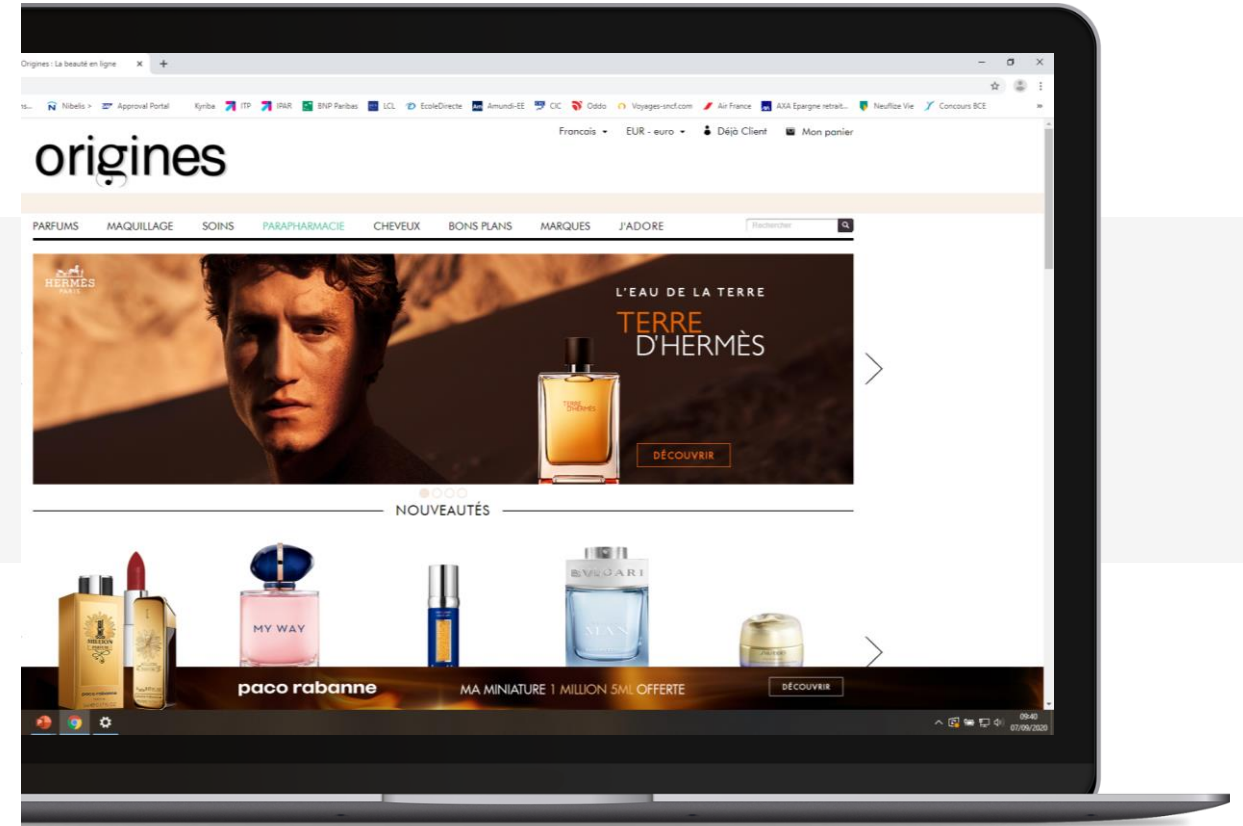

COACH
NEW YORK

BLUE



www.origines-parfums.fr

- With a key position in the French market and approved by the brands
- €40m in sales in 2019, long-term objective of €100m
- A 25% equity stake and a €12.5m capital increase (name recognition and internal organization)



Moncler license

- **A 6 ½ year license agreement with an option to be extended for an additional 5 years**
- **Creation, production and distribution of perfumes and fragrance-related products**
- **Development of a first fragrance line planned for Q1 2022**

- **Business updates by brand**



• **MONT
BLANC** 



Montblanc: 2020 and beyond



2020

- Launch of the women's line, *Montblanc Signature*
- Launch of the men's *Montblanc Legend* eau de parfum line

2021

- An interpretation of the *Montblanc Explorer* line launched in early 2019
- Various technical initiatives (gift sets, POS material, miniature sets,...)

Outlook

- A new men's line in 2023
- Strengthening the market positions of the *Montblanc Legend* line



Coach: 2020 and beyond



2020

2021

Outlook

- Successful launch of the women's line, *Coach Dreams*, at the beginning of the year
- Launch of the men's line, *Coach Man Blue*

- An interpretation of the *Coach Dreams* line
- Preparation of a fragrance duo for 2022

- Strengthening market positions in Asia

- JIMMY CHOO



Jimmy Choo: 2020 and beyond

JIMMY CHOO

2020

- Continuing rollout of the *Jimmy Choo Urban Hero* line
- Launch of the make-up line at selected points of sale

2021

- A new women's line
- An interpretation of the *Jimmy Choo Urban Hero* line

Outlook

- Returning to the activity levels of 2019

• **ROCHAS**
PARIS



Rochas: 2020 and beyond

ROCHAS
PARIS

2020

- Launch of the women's line, *Byzance*
- Launch of the men's line, *L'Homme Rochas*

2021

- A new women's line

Outlook

- Hitting the milestone of €50m in sales
- Growing name recognition in Asia

• **LANVIN**
PARFUMS



Lanvin: 2020 and beyond

LANVIN
PARFUMS

2020

- An interpretation of the women's line, *Eclat d'Arpège*
- Focus on Russia and Asia

2021

- A new women's line in H2

Outlook

- Return to and strengthening a revenue base of approximately €50m

● Van Cleef & Arpels
HAUTE PARFUMERIE



Van Cleef & Arpels: 2020 and beyond

Van Cleef & Arpels

2020

2021

Outlook

- Launch of new juices within the *Collection Extraordinaire*

- Launch of new juices within the *Collection Extraordinaire*

- Ongoing development of the *Collection*

- **BOUCHERON**
PARIS



Boucheron: 2020 and beyond

BOUCHERON
PARIS

2020

- New juices launched within Boucheron's extraordinary Haute Parfumerie fragrance collection.
- Launch of the *Serpent Bohême* line

2021

- New juices launched within Boucheron's extraordinary Haute Parfumerie fragrance collection.

Outlook

- Continuing development of the line of extraordinary fragrances

• **KARL**
KARL LAGERFELD



Karl Lagerfeld: 2020 and beyond

KARL
KARL LAGERFELD

2020

2021

Outlook

- Launch of a new fragrance duo

- Launch of a new fragrance duo

- Return to and supporting a revenue base of around €15m

- H1 2020 sales



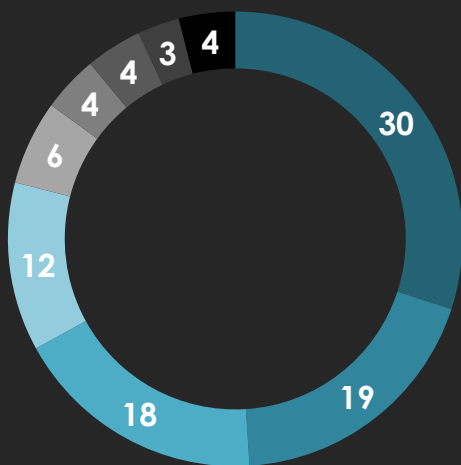
H1 2020 sales by brand

(€m)

	H1 2019	H1 2020	2020/2019
Montblanc	71.8	36.2	-50%
Coach	41.7	33.6	-19%
Jimmy Choo	46.2	26.7	-42%
Rochas	14.6	12.4	-15%
Lanvin	28.1	10.9	-61%
Van Cleef & Arpels	9.5	4.7	-51%
Boucheron	10.1	4.4	-56%
Karl Lagerfeld	7.2	4.2	-41%
Other	9.2	6.2	ns
Total revenue	238.4	139.3	-42%

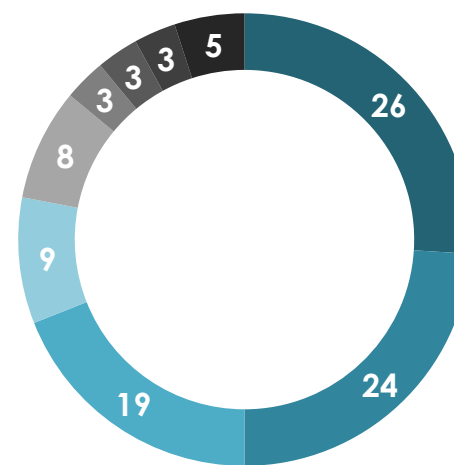
Revenue mix by brand

H1 2019



- Montblanc: 30%
- Jimmy Choo: 19%
- Coach: 18%
- Lanvin: 12%
- Rochas: 6%
- Boucheron: 4%
- Van Cleef & Arpels: 4%
- Karl Lagerfeld: 3%
- Other brands: 4%

H1 2020



- Montblanc: 26%
- Coach: 24%
- Jimmy Choo: 19%
- Rochas: 9%
- Lanvin: 8%
- Van Cleef & Arpels: 3%
- Boucheron: 3%
- Karl Lagerfeld: 3%
- Other brands: 5%

H1 2020 sales by region

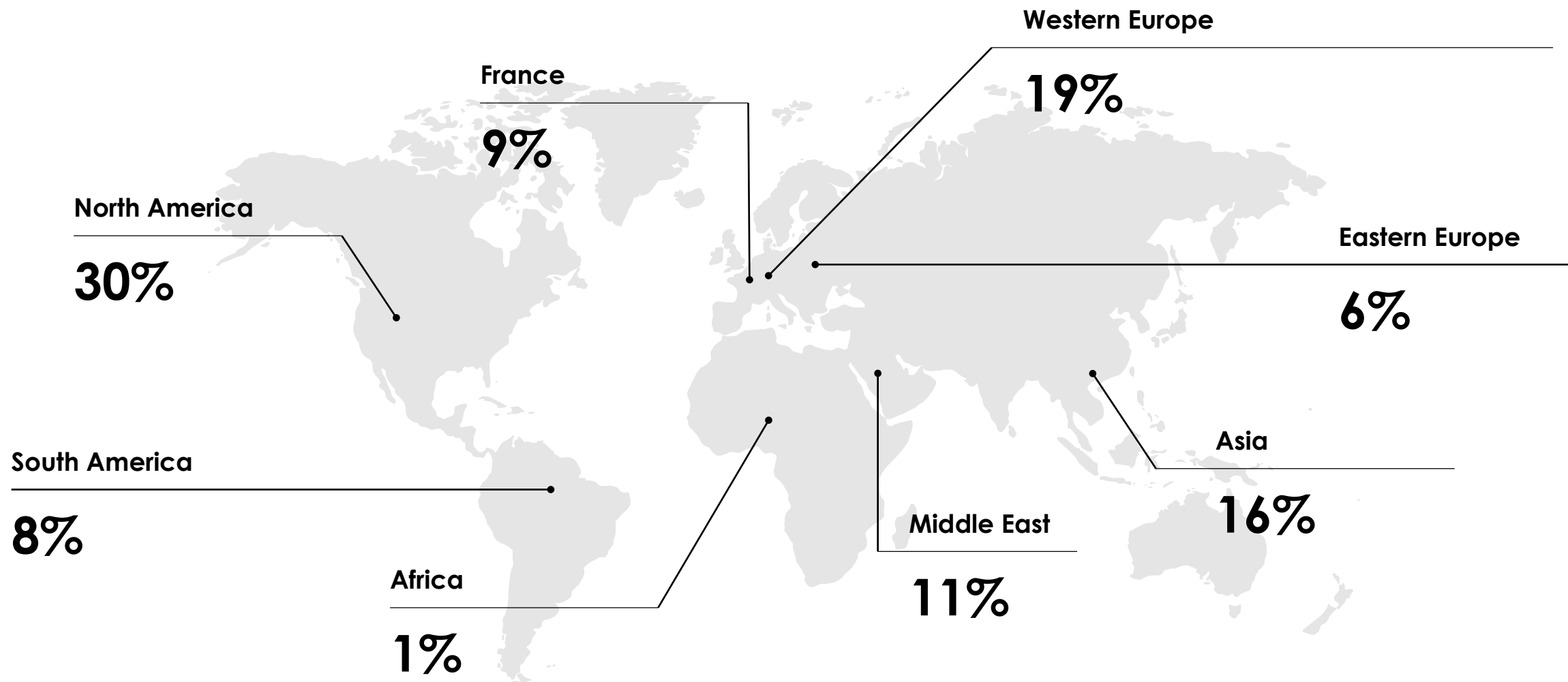
- A limited decline in sales in the United States and Western Europe
- Steeper declines in the Middle East (-55%) and Eastern Europe (-51%)
- A significant rebound in France in May and June by Rochas and Montblanc fragrances

H1 2020 sales by region

(€m)

	H1 2019	H1 2020	2020/2019
Africa	2.2	2.0	-9%
Asia-Pacific	40.3	21.8	-46%
Eastern Europe	16.2	7.9	-51%
France	17.8	12.8	-28%
Middle East	33.7	15.0	-55%
North America	66.1	41.6	-37%
South America	19.8	11.5	-42%
Western Europe	42.3	26.7	-37%
Total revenue	238.4	139.3	-42%

H1 sales by region



- H1 2020
results

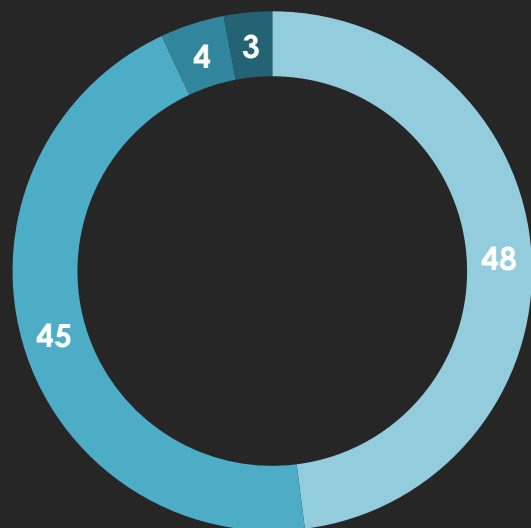


H1 2020 results

(€m)

	H1 2017	H1 2018	H1 2019	H1 2020
Sales	209.3	218.7	237.4	138.7
Gross margin	136.6	139.1	152.3	83.0
<i>% of sales</i>	65.3%	63.6%	63.9%	59.6%
Operating profit	33.1	34.8	39.0	10.4
<i>% of sales</i>	15.8%	15.9%	16.4%	7.5%
Net income	21.7	25.2	27.2	8.9
<i>% of sales</i>	10.4%	11.5%	11.4%	6.4 %
	06/30/17	06/30/18	06/30/19	06/30/20
Shareholders' equity	404.9	421.9	438.3	476.3
Cash net of borrowings	131.6	136.3	137.4	157.1

H1 2020 currency effect



■ EURO: 48%
 ■ USD: 45%
 ■ GBP: 4%
 ■ Other: 3%

Currency	Av. exch. rate H1 2019	Av. exch. rate H1 2020	Currency effect on sales
€/\$	1.130	1.102	+€1.6m
€/£	0.873	0.865	+€0.1m
€/¥	125.3	118.9	+€0.1m

Total currency effect

+€1.8m

Sales

137.5m

at constant exchange rates

Change

-42%

at constant exchange rates

H1 2020 income statement

(1st part)

Gross margin: 60%

- Higher inventories => An increase in inventory provisions => An increase in the weight of inventory provisions reflecting the significant drop in sales
- Kate Spade returns (US\$2m)
- Special pricing conditions negotiated with certain customers

Operating margin: 7.5%

- Marketing and advertising expenses adjusted (canceled or postponed)
- Preservation of jobs though a decrease in provisions for variable compensation and profit-sharing (for the time being)
- Expenses directly linked to the level of business
- Tighter budgets

H1 2020 income statement ^(1st part)

(€m)

	H1 2019	H1 2020	2020/2019
Sales	238.4	139.3	-42%
Cost of sales	(86.1)	(56.3)	-34%
Gross margin	152.3	83.0	-45%
<i>% of sales</i>	63.9%	59.6%	
Logistics & transport	(6.2)	(3.3)	-47%
Marketing & advertising	(51.1)	(29.7)	-42%
<i>% of sales</i>	21.4%	21.3%	
Royalties	(17.2)	(11.3)	-34%
<i>% of sales</i>	7.2%	8.1%	
Staff costs (excluding production)	(19.7)	(13.9)	-30%
Service fees / subsidiaries	(3.3)	(2.3)	ns
Allowances for depreciation and amortization, provisions	(2.8)	(3.6)	+27%
Tax and related expenses	(2.3)	(1.6)	-28%
Other	(10.7)	(6.8)	-36%
Current operating income	39.0	10.4	-73%
<i>% of sales</i>	16.4%	7.5%	

H1 2020 income statement

(2st part)

Translation difference

- A favorable €/€ exchange rate trend in H1
- Unwinding of unused foreign exchange hedges

Corporate income tax

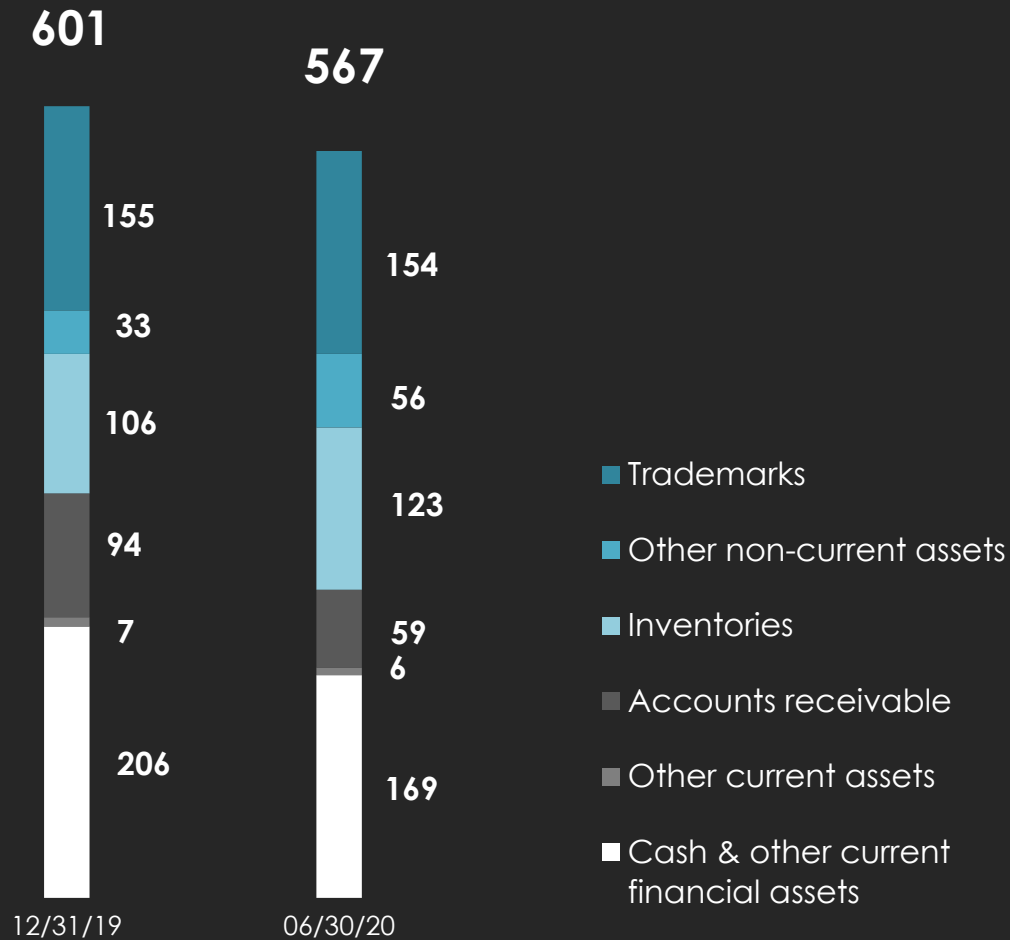
- A lower average income tax rate (26% in H1 2020 vs. 30% in H1 2019)
- A modification in the contribution to profits by region

H1 2020 income statement ^(2nd part)

(€m)

	H1 2019	H1 2020	2020/2019
Operating profit	39.0	10.4	-73%
<i>% of sales</i>	16.4%	7.5%	
Financial income (expense)	0.6	0.7	+5%
Translation difference	(0.6)	0.9	ns
Income before tax	39.1	12.0	-69%
<i>% of sales</i>	16.4%	8.6%	
Corporate income tax	(11.7)	(3.1)	-73%
<i>Tax rate</i>	30.0 %	26.0 %	
Net income	27.4	8.9	-67%
<i>% of sales</i>	11.5%	6.4%	
Non-controlling interests	(0.1)	(0.0)	ns
Net income attributable	27.2	8.9	-67%
<i>% of sales</i>	11.4%	6.4%	

June 30, 2020 Balance sheet Assets



Brands: €154m

- Brand assets remain stable
- No indication of impairment

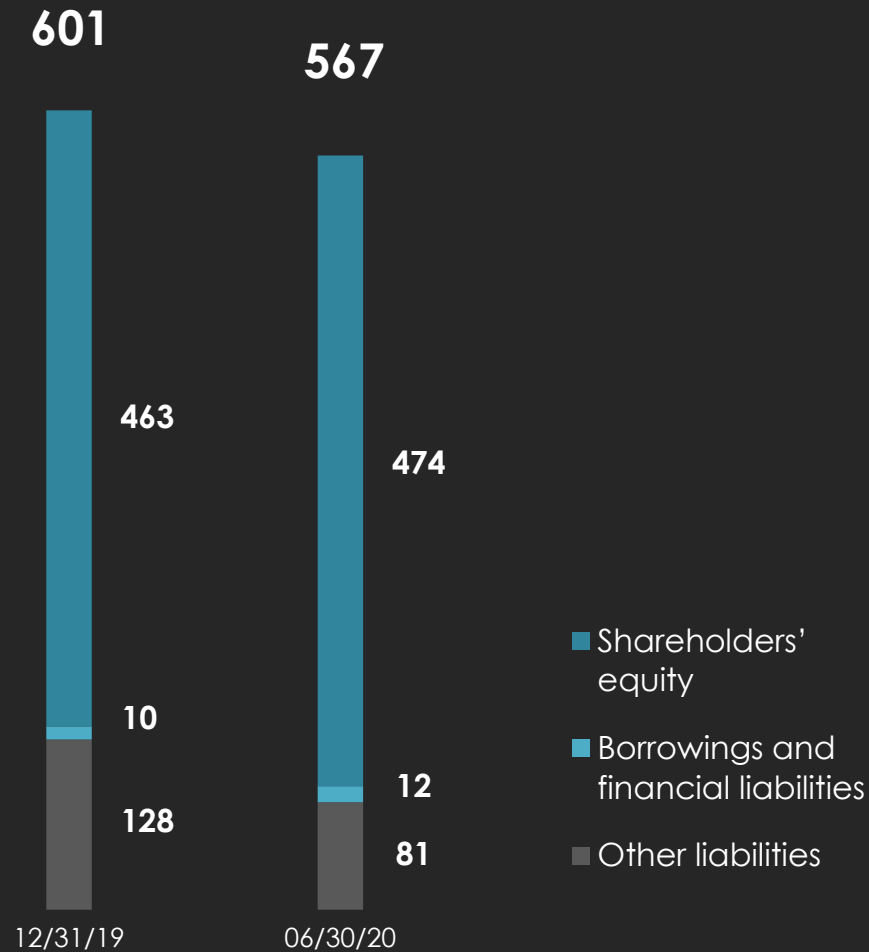
Inventories: €123m

- An increase in inventories (+15%) reflecting the drop in sales
- Inventories of good quality

Accounts receivable: €59m

- A decrease in A/R reflecting the drop in sales
- Payment facilities and payment delays granted in a few cases

June 30, 2020 Balance sheet - Liabilities



Shareholders' equity: €474m

- 83% of total assets

Borrowings & financial liabilities: €12m

- Payment of the final installment of the Rochas loan obtained in 2015 (€10m)
- Origines-parfums loan (€12m)

Cash net of borrowings

(€m)

	06/30/19	12/31/19	06/30/20
Capital redemption contracts	-	-	-
Term deposit accounts	58.5	53.6	59.8
Other	0.3	0.4	0.4
Current financial assets (+3 months)	58.8	54.0	60.3
Term deposit accounts	19.0	21.9	10.8
Capital redemption contracts	52.3	52.6	52.9
Bank accounts	25.1	61.0	37.8
Interest-bearing accounts	2.2	16.2	7.4
Cash and cash equivalents (-3 months)	98.6	151.7	108.9
Non-current borrowings & financial liabilities	-	-	(8.0)
Current borrowings & financial liabilities	(20.0)	(10.0)	(4.0)
Borrowings & financial liabilities	(20.0)	(10.0)	(12.0)
"Actual" cash net of borrowings	137.4	195.7	157.2

Dividend and bonus share iss

Dividend (for info) 2019



Cancellation of the dividend initially planned for FY 2019



Resumption in the dividend distribution likely for FY 2020

Bonus share issue (21st) 2020



The traditional annual bonus share issue maintained



1 new share for **10** shares held (and not 20), in line with the practice of prior years



Planned for October

Summary of H1 2020 results

- Expenses overall have been adjusted to reflect the pace of sales

- While earnings were impacted, margins held their ground



Operating margin:
7.5%



Net margin
6.4%

- A solid financial position



Cash management
€157m



Shareholders' equity
€484m

Calendar

Q3 2020 sales



October 28, 2020

FY 2020 sales



January 26, 2021

2021 outlook



December 2, 2020

2020 results



Early March 2021

- H2 2020 & FY 2021 outlook



H2 2020 & FY 2021 outlook

- H2 2020 launches



Serpent Bohème



Montblanc Legend EDP



GERANIUM



VIOLET LEAVES



BERGAMOT



VETIVER



LEATHER



AMBER



WOODY



SAMBAC JASMINE



SANDALWOOD

H2 2020 outlook

- **Positive signs for a gradual recovery in business, varying according to the country**
- **Sales of close to €300m for the 2020 full-year**
- **Initiatives under preparation aligned with new trends...**



Eco-responsible
development



Natural
ingredients

2021 outlook

- Strategic launches (women's fragrance lines) for the Jimmy Choo, Kate Spade and Rochas brands
- Flankers for the *Montblanc Explorer*, *Jimmy Choo Urban Hero* and the *Karl Lagerfeld* fragrance duos... and Jimmy Choo make-up
- Duty-free players (Dufry, Lagardère, Heinemann) weakened by the crisis

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